

instead on the provisions of complicated contractual arrangements between gas producers and pipelines and on the provisions of equally complicated federal gas legislation and regulations. Nearly all of those seemed to point to further sharp gas-price gains in the months and even years ahead.

But as things have turned out, the experts were looking in the wrong direction. Market forces have proven to be more powerful than the elaborate legal edifice.

In a rather disorderly fashion, gas prices gradually have leveled off and currently are headed down rather than up. With production capacity exceeding consumption by about 15%, the down turn is soundly based.

This surprising turnabout had its origins in the industrial market, traditionally the largest source of natural-gas sales. After determining over a number of years that virtually everything about natural gas should be government-controlled, Congress and the regulators nevertheless overlooked an important consideration. They failed to make it mandatory for customers to burn the fuel.

Thus, as gas prices passed parity with fuel oil, numerous industrial users that had the foresight in recent years to install boilers capable of burning more than one fuel stepped through the legislative loophole by simply canceling their gas-purchase contracts.

The pipelines and local gas distributors, believing themselves contractually locked into taking set quantities of gas from producers at ever-increasing prices, or paying for it anyway, and also accustomed to a set rate of return determined by federal regulators, at first responded to their industrial-market losses by trying to charge residential consumers more.

That produced a torrent of complaints to federal and state officials, whipping Congress into an ineffective lather and goading the administration into finally launching its long-delayed initiative to reform the gas market. As the legislative process has ground toward ever more complex and incomprehensible "solutions" to the problem, more interesting events have continued to take place in the marketplace.

Frightened by the consumer rebellion and by the sort of "quick fix" actions Congress might end up adopting to gain votes in the next election, local gas utilities and interstate pipelines began telling the producers of high-cost gas their product had no market. Some producers responded by voluntarily cutting prices and mandatory sales volumes despite contract provisions and despite the higher concessions, prompting a number of purchasers to unilaterally abrogate their contracts.

Canadian exporters, too, got into the act, cutting prices, offering concessions on volumes and employing a new discount scheme for large-volume imports.

The message in all of this is clear if poorly understood. The market rather than the government is going to set the prices of gas now that it has reached price parity with its main competitor, residual fuel oil.

Average gas prices rose rapidly in recent years despite controls on large volumes of "old gas" because the fuel was underpriced relative to its competition. When parity was reached, the uptrend hit a brick wall.

If old-gas prices were now to be decontrolled at the wellhead, events of the past few months demonstrate that it is highly unlikely that prices at the burner tip would soar as various groups fear.

What would happen would be a further, disorderly readjustment of wellhead prices

with low-cost gas going up and high-cost gas going down, once again probably regardless of various contractual arrangements to the contrary. The courts would find themselves very active and federal regulators would have to reconstruct their policies and regulations to fit the new reality, but consumers would be largely untouched.

Meanwhile, the average wellhead price of gas would settle about where it is now, which is to say at a level sufficient to keep industrial customers from switching to fuel oil. Thereafter, like most other commodities, it would fluctuate in a competitive environment.

In view of this, the best course for Congress is to cease debating what sort of new controls might be appropriate for natural gas and simply do its best to clear away the debris of what is now largely irrelevant past legislation.

(Mr. Martin is Washington bureau chief of Dow Jones News Services.)

STOPPING USELESS ANIMAL RESEARCH

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 15, 1983

● Mr. LANTOS. Mr. Speaker, the issue of the use of live animals in experimentation is one that should be of concern to us all. As you know, the Defense Department is currently reevaluating its use of animals in its training and research procedures, and has agreed to put a moratorium on the opening of a wound laboratory in Bethesda, Md., for its Uniformed Services University of Health Sciences.

I would commend to the attention of my colleagues a persuasive and perceptive letter to the Peninsula Times-Tribune of Palo Alto, Calif., by Richard Ward. Mr. Ward is the executive director of the Peninsula Humane Society.

In his letter, Mr. Ward argues that the Humane Society is not against all research on animals, but that "We are, however, against the useless, repetitive, and unnecessary experiments."

STOP USELESS RESEARCH

This is in response to your recent article, "Surgeons Back Animal Research" (July 26, Page B-1). We all respect Dr. Norman Shumway and thank him for his contributions to medical research. Shumway, however, shows a lack of understanding as to what is going on at Stanford and other research facilities, and the issues at hand.

He stated, "I could understand the opposition, if the research was inhumane." Have Shumway and his colleagues so quickly forgotten the neglected, pound-seized research dog found by a Stanford student a few months ago? How can he, in good conscience, say research animals are humanely treated? Has he personally inspected all the research projects that are going on at Stanford to make sure of his facts? Of course, he did state, "The animals are going to be dead anyway"—I guess he feels the end justifies the means! That, however, is why there is opposition.

As a humane society, we cannot condone shelter animals (dogs and cats) being used for medical research—we are an organization working to protect the rights of animals. Animals were not put on this earth for the use and exploitation of humankind. It is an atrocity that animal shelters across the country kill millions of dogs and cats each year, because people do not have the insight and sensitivity to have their animals spayed or neutered—and now you are stating we should experiment on them before we kill them? At what point will we stop exploiting them? At what point will humans start acting humanely?

The Peninsula Humane Society is not against all animal research; we recognize that some useful data has been obtained through live animal experimentation, and we are not implying we bring research science to a halt. We are, however, against the useless, repetitive and unnecessary experiments and want them stopped.

SB 883, which is so strongly opposed by Shumway, would not have been introduced if most animal researchers gave more concern to the care research animals receive and the types of experiments for which they are used. Researchers seem to have forgotten that animals have a wide range of emotions, needs and feelings, and are not simply research tools that can be put on a shelf to gather dust until needed.

I have personally seen how animals are treated in research labs and some of the useless experiments that take place. I will never allow any of our shelter animals to be turned over to a research laboratory and hope SB 883 passes to make it illegal for any animal shelter in California to do so.

The question we, as humans, need to address is: Are non-human animals put on earth for the sole use of human animals?

A CONGRESSIONAL SALUTE TO LORRAINE PETERSON ON HER RETIREMENT FROM AMERICAN AIRLINES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 15, 1983

● Mr. ANDERSON. Mr. Speaker, this month marks the end of a special and longstanding relationship one woman had with one airline.

The woman is Lorraine "Petey" Peterson; her employer, American Airlines. Lorraine has decided to retire after 43 years of dedicated service to the airline industry. What is special about this retirement is that for over four decades Lorraine has served American's passengers as a stewardess.

Her career began in 1941 on a DC-3 and ended last month on a Boeing 747. The challenges and excitement Lorraine has faced within this span is enough, I am sure, for even the most adventuresome of those who serve in this body.

When asked why she decided to retire, Lorraine simply replied: "(I'm) tired of pushing heavy carts and running up and down to serve drinks and